



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

INTERNATIONAL TRADE ADMINISTRATION

(A-570-042)

Stainless Steel Sheet and Strip from the People's Republic of China: Initiation of Less Than Fair Value Investigation

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

DATES: Effective March 3, 2016

FOR FURTHER INFORMATION CONTACT: Toni Page at (202) 482-1398 and Lingjun Wang (202) 482-2316, AD/CVD Operations, Enforcement and Compliance, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

The Petition

On February 12, 2016, the Department of Commerce (Department) received an antidumping duty (AD) petition concerning imports of stainless steel sheet and strip (stainless sheet and strip) from the People's Republic of China (PRC), filed in proper form on behalf of AK Steel Corporation, Allegheny Ludlum, LLC d/b/a ATI Flat Rolled Products, North American Stainless, and Outokumpu Stainless USA, LLC, (collectively, Petitioners).<sup>1</sup> The AD petition was accompanied by a countervailing duty (CVD) petition for stainless steel and strip from the PRC.<sup>2</sup> Petitioners are domestic producers of stainless sheet and strip, which represents the domestic industry engaged in the manufacture of stainless sheet and strip in the United States.<sup>3</sup>

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<sup>1</sup> See the Petitions for the Imposition of Antidumping Duties and Countervailing Duties: Stainless Steel Sheet and Strip from the People's Republic of China, (February 12, 2016) (the Petition).

<sup>2</sup> *Id.*

<sup>3</sup> See Volume I of the Petition at 2.

On February 17 and 23, 2016, the Department requested additional information and clarification of certain areas of the Petition,<sup>4</sup> and Petitioners timely filed responses to these requests on February 19, 22, and 25, 2016 and an amendment to the scope section of the petition.<sup>5</sup>

In accordance with section 732(b) of the Tariff Act of 1930, as amended (the Act), Petitioners allege that imports of stainless sheet and strip from the PRC are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Act, and that such imports are materially injuring, or threatening material injury to, an industry in the United States. Also, consistent with section 732(b)(1) of the Act, the Petition is accompanied by information reasonably available to Petitioners supporting their allegations.

The Department finds that Petitioners filed the Petition on behalf of the domestic industry because Petitioners satisfy the definition of an interested party in section 771(9)(C) of the Act. The Department also finds that Petitioners demonstrated sufficient industry support with respect to the initiation of the AD investigation that Petitioners are requesting.<sup>6</sup>

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<sup>4</sup> See Letters from the Department to Petitioners entitled “Petitions for the Imposition of Antidumping and Countervailing Duties on Imports of Stainless Steel Sheet and Strip from the People’s Republic of China: Supplemental Questions,” (February 17, 2016) (General Issues Supplemental Questionnaire); and “Petition for the Imposition of Antidumping Duties on Imports of Stainless Steel Sheet and Strip from the People’s Republic of China,” (February 17, 2016) (AD Supplemental Questionnaire); *see also* Memorandum to the File, “Phone Call with Counsel to Petitioners,” (February 23, 2016)

<sup>5</sup> See Petitioners’ Response to the AD Supplemental Questionnaire, (February 19, 2016) (AD Petition Supplement); Petitioners’ Response to the General Issues Supplemental Questionnaire, (February 19, 2016) (General Issues Supplement); Petitioners’ Submission of Signed Declaration Included in Responses to the Department’s Supplemental Questionnaire Relating to Antidumping Duty Petition, (February 22, 2016) (AD Petition Supplement Signed Declaration); and Second General Issues Supplement to the Petition, (February 25, 2016) (Second General Issues Supplement).

<sup>6</sup> See the “Determination of Industry Support for the Petition” section below.

### Period of Investigation

Because the Petition was filed on February 12, 2016, the period of investigation (POI) is, pursuant to 19 CFR 351.204(b)(1), July 1, 2015, through December 31, 2015.

### Scope of the Investigation

The products covered by this investigation are stainless sheet and strip from the PRC. For a full description of the scope of this investigation, *see* the “Scope of the Investigation,” in Appendix I of this notice.

### Comments on Scope of the Investigation

During our review of the Petition, the Department issued questions to, and received responses from, Petitioners pertaining to the proposed scope to ensure that the scope language in the Petition would be an accurate reflection of the products for which the domestic industry is seeking relief.<sup>7</sup>

As discussed in the preamble to the Department’s regulations,<sup>8</sup> we are setting aside a period for interested parties to raise issues regarding product coverage (*i.e.*, the scope). The Department will consider all comments received from parties and, if necessary, will consult with parties prior to the issuance of the preliminary determination. If scope comments include factual information (*see* 19 CFR 351.102(b)(21)), all such factual information should be limited to public information. In order to facilitate preparation of its questionnaires, the Department requests all interested parties to submit such comments by 5:00 p.m. Eastern Time (ET) on March 23, 2016, which is 20 calendar days from the signature date of this notice. Any rebuttal comments, which may include factual information, must be filed by 5:00 p.m. ET on Monday,

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<sup>7</sup> *See* General Issues Supplemental Questionnaire; *see also* General Issues Supplement; Memorandum to the File, “Phone Call with Counsel to Petitioners,” (February 23, 2016); and Second General Issues Supplement.

<sup>8</sup> *See Antidumping Duties; Countervailing Duties*, 62 FR 27296, 27323 (May 19, 1997).

April 4, 2016, because 10 calendar days after the initial comments deadline falls on Saturday, April 2, 2016.<sup>9</sup>

The Department requests that any factual information the parties consider relevant to the scope of the investigation be submitted during this time period. However, if a party subsequently finds that additional factual information pertaining to the scope of the investigation may be relevant, the party may contact the Department and request permission to submit the additional information. All such comments must be filed on the record of the AD investigation, as well as the concurrent CVD investigation.

#### Filing Requirements

All submissions to the Department must be filed electronically using Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS).<sup>10</sup> An electronically filed document must be received successfully in its entirety by the time and date when it is due. Documents excepted from the electronic submission requirements must be filed manually (*i.e.*, in paper form) with Enforcement and Compliance's APO/Dockets Unit, Room 18022, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230, and stamped with the date and time of receipt by the applicable deadlines.

#### Comments on Product Characteristics for AD Questionnaires

The Department requests comments from interested parties regarding the appropriate physical characteristics of stainless sheet and strip to be reported in response to the Department's

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<sup>9</sup> See 19 CFR 351.303(b)(1) ("For both electronically filed and manually filed documents, if the applicable due date falls on a non-business day, the Secretary will accept documents that are filed on the next business day.")

<sup>10</sup> See *Antidumping and Countervailing Duty Proceedings: Electronic Filing Procedures; Administrative Protective Order Procedures*, 76 FR 39263 (July 6, 2011); see also *Enforcement and Compliance; Change of Electronic Filing System Name*, 79 FR 69046 (November 20, 2014) for details of the Department's electronic filing requirements, which went into effect on August 5, 2011. Information on help using ACCESS can be found at <https://access.trade.gov/help.aspx> and a handbook can be found at <https://access.trade.gov/help/Handbook%20on%20Electronic%20Filing%20Procedures.pdf>.

AD questionnaires. This information will be used to identify the key physical characteristics of the subject merchandise in order to report the relevant factors and costs of production as accurately as well as to develop appropriate product-comparison criteria.

Interested parties may provide any information or comments that they feel are relevant to the development of an accurate list of physical characteristics. Specifically, they may provide comments as to which characteristics are appropriate to use as: 1) general product characteristics and 2) product-comparison criteria. We note that it is not always appropriate to use all product characteristics as product-comparison criteria. We base product-comparison criteria on meaningful commercial differences among products. In other words, although there may be some physical product characteristics utilized by manufacturers to describe stainless sheet and strip, it may be that only a select few product characteristics take into account commercially meaningful physical characteristics. In addition, interested parties may comment on the order of the physical characteristics defining a product. Generally, the Department attempts to list the most important physical characteristics first and the least important characteristics last.

In order to consider the suggestions of interested parties in developing and issuing the AD questionnaires, all comments must be filed by 5:00 P.M. ET on March 23, 2016, which is 20 calendar days from the signature date of this notice. Any rebuttal comments must be filed by 5:00 P.M. ET on April 4, 2016. All comments and submissions to the Department must be filed electronically using ACCESS.

#### Determination of Industry Support for the Petition

Section 732(b)(1) of the Act requires that a petition be filed on behalf of the domestic industry. Section 732(c)(4)(A) of the Act provides that a petition meets this requirement if the domestic producers or workers who support the petition account for: (i) at least 25 percent of the

total production of the domestic like product; and (ii) more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the petition. Moreover, section 732(c)(4)(D) of the Act provides that, if the petition does not establish support of domestic producers or workers accounting for more than 50 percent of the total production of the domestic like product, the Department shall: (i) poll the industry or rely on other information in order to determine if there is support for the petition, as required by subparagraph (A); or (ii) determine industry support using a statistically valid sampling method to poll the “industry.”

Section 771(4)(A) of the Act defines the “industry” as the producers as a whole of a domestic like product. Thus, to determine whether a petition has the requisite industry support, the statute directs the Department to look to producers and workers who produce the domestic like product. The International Trade Commission (ITC), which is responsible for determining whether “the domestic industry” has been injured, must also determine what constitutes a domestic like product in order to define the industry. While both the Department and the ITC must apply the same statutory definition regarding the domestic like product,<sup>11</sup> they do so for different purposes and pursuant to a separate and distinct authority. In addition, the Department’s determination is subject to limitations of time and information. Although this may result in different definitions of the like product, such differences do not render the decision of either agency contrary to law.<sup>12</sup>

Section 771(10) of the Act defines the domestic like product as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this title.” Thus, the reference point from which the domestic like product

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<sup>11</sup> See section 771(10) of the Act.

<sup>12</sup> See *USEC, Inc. v. United States*, 132 F. Supp. 2d 1, 8 (CIT 2001) (citing *Algoma Steel Corp., Ltd. v. United States*, 688 F. Supp. 639, 644 (CIT 1988), *aff’d* 865 F.2d 240 (Fed. Cir. 1989)).

analysis begins is “the article subject to an investigation” (*i.e.*, the class or kind of merchandise to be investigated, which normally will be the scope as defined in the Petition).

With regard to the domestic like product, Petitioners do not offer a definition of the domestic like product distinct from the scope of the investigation. Based on our analysis of the information submitted on the record, we have determined that stainless sheet and strip constitutes a single domestic like product and we have analyzed industry support in terms of that domestic like product.<sup>13</sup>

In determining whether Petitioners have standing under section 732(c)(4)(A) of the Act, we considered the industry support data contained in the Petition with reference to the domestic like product as defined in the “Scope of the Investigation,” in Appendix I of this notice.

Petitioners provided their production of the domestic like product in 2015, as well as an estimate of total production of the domestic like product for the entire domestic industry.<sup>14</sup> To establish industry support, Petitioners compared their own production to total estimated production of the domestic like product for the entire domestic industry.<sup>15</sup> We have relied upon data Petitioners provided for purposes of measuring industry support.<sup>16</sup>

Our review of the data provided in the Petition, the Second General Issues Supplement, and other information readily available to the Department indicates that Petitioners have established industry support.<sup>17</sup> First, the Petition established support from domestic producers (or workers) accounting for more than 50 percent of the total production of the domestic like

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<sup>13</sup> For a discussion of the domestic like product analysis in this case, *see* Antidumping Duty Investigation Initiation Checklist: Stainless Steel Sheet and Strip from the People’s Republic of China (PRC AD Initiation Checklist), at Attachment II, Analysis of Industry Support for the Antidumping and Countervailing Duty Petitions Covering Stainless Steel Sheet and Strip from the People’s Republic of China (Attachment II). This checklist is dated concurrently with this notice and on file electronically via ACCESS. Access to documents filed via ACCESS is also available in the Central Records Unit, Room 18022 of the main Department of Commerce building.

<sup>14</sup> *See* Volume I of the Petition, at 4-5 and Exhibits GEN-1 and GEN-12.

<sup>15</sup> *Id.* For further discussion, *see* PRC AD Initiation Checklist, at Attachment II.

<sup>16</sup> *See* PRC AD Initiation Checklist, at Attachment II.

<sup>17</sup> *Id.*

product and, as such, the Department is not required to take further action in order to evaluate industry support (*e.g.*, polling).<sup>18</sup> Second, the domestic producers (or workers) have met the statutory criteria for industry support under section 732(c)(4)(A)(i) of the Act because the domestic producers (or workers) who support the Petition account for at least 25 percent of the total production of the domestic like product.<sup>19</sup> Finally, the domestic producers (or workers) have met the statutory criteria for industry support under section 732(c)(4)(A)(ii) of the Act because the domestic producers (or workers) who support the Petition account for more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the Petition.<sup>20</sup> Accordingly, the Department determines that the Petition was filed on behalf of the domestic industry within the meaning of section 732(b)(1) of the Act.

The Department finds that Petitioners filed the Petition on behalf of the domestic industry because they are interested parties as defined in section 771(9)(C) of the Act and they have demonstrated sufficient industry support with respect to the AD investigation that they are requesting the Department to initiate.<sup>21</sup>

#### Allegations and Evidence of Material Injury and Causation

Petitioners allege that the U.S. industry producing the domestic like product is being materially injured, or is threatened with material injury, by reason of the imports of the subject merchandise sold at less than normal value (NV). In addition, Petitioners allege that subject imports exceed the negligibility threshold provided for under section 771(24)(A) of the Act.<sup>22</sup>

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<sup>18</sup> See section 732(c)(4)(D) of the Act; *see also* PRC AD Initiation Checklist, at Attachment II

<sup>19</sup> See PRC AD Initiation Checklist, at Attachment II.

<sup>20</sup> *Id.*

<sup>21</sup> *Id.*

<sup>22</sup> See Volume I of the Petition, at 13 and Exhibit GEN-6; *see also* Second General Issues Supplement, at 4-5 and Exhibit GEN-Supp. 6.

Petitioners contend that the industry's injured condition is illustrated by reduced market share, underselling and price suppression or depression, lost sales and revenues, reductions in U.S. production, shipments, and capacity utilization, decreased employment, and financial deterioration.<sup>23</sup> We have assessed the allegations and supporting evidence regarding material injury, threat of material injury, and causation, and we have determined that these allegations are properly supported by adequate evidence and meet the statutory requirements for initiation.<sup>24</sup>

#### Allegation of Sales at Less Than Fair Value

The following is a description of the allegation of sales at less than fair value upon which the Department based its decision to initiate the investigation of stainless sheet and strip from the PRC. The sources of data for the deductions and adjustments relating to U.S. price and NV are discussed in greater detail in the initiation checklist.

#### Export Price

Petitioners based U.S. prices on price quotes for stainless sheet and strip produced in the PRC by affiliated companies of Baosteel Group Corporations (Baosteel) and Taiyuan Iron & Steel (Group) Co., Ltd. (TISCO), and offered for sale to customers in the United States.<sup>25</sup>

Petitioners made deductions from U.S. price for movement expenses consistent with the delivery terms, as well as deductions for distributor mark-up and unrebated VAT.

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<sup>23</sup> See Volume I of the Petition, at 14-19 and Exhibits GEN-6 and GEN-8 through GEN-12; *see also* Second General Issues Supplement, at 4-5 and Exhibit GEN-Supp. 5.

<sup>24</sup> See PRC AD Initiation Checklist, at Attachment III, Analysis of Allegations and Evidence of Material Injury and Causation for the Antidumping and Countervailing Duty Petitions Covering Stainless Steel Sheet and Strip from the People's Republic of China.

<sup>25</sup> See Volume II of the Petition at 2, Exhibits AD-1A and AD-1B; *see also*, AD Petition Supplement at 2 and Exhibit AD-Supp. 1A; and AD Petition Supplement Signed Declaration at Attachment 1.

### Normal Value

Petitioners stated that the Department has found the PRC to be a non-market economy (NME) country in every administrative proceeding in which the PRC has been involved.<sup>26</sup> In accordance with section 771(18)(C)(i) of the Act, the presumption of NME status remains in effect until revoked by the Department. The presumption of NME status for the PRC has not been revoked by the Department and, therefore, remains in effect for purposes of the initiation of this investigation. Accordingly, the NV of the product is appropriately based on factors of production (FOP) valued in a surrogate market economy country, in accordance with section 773(c) of the Act. In the course of this investigation, all parties, and the public, will have the opportunity to provide relevant information related to the issues of the PRC's NME status and the granting of separate rates to individual exporters.

Petitioners claim that Thailand is an appropriate surrogate country because it is a market economy that is at a level of economic development comparable to that of the PRC and it is a significant producer of comparable merchandise.<sup>27</sup>

Based on the information provided by Petitioners, we believe it is appropriate to use Thailand as a surrogate country for initiation purposes. Interested parties will have the opportunity to submit comments regarding surrogate country selection and, pursuant to 19 CFR 351.301(c)(3)(i), will be provided an opportunity to submit publicly available information to value FOPs within 30 days before the scheduled date of the preliminary determination.

### *Factors of Production (FOP)*

Petitioners based the FOPs for materials, labor, and energy on average major U.S. producers' consumption rates for producing stainless sheet and strip adjusted for known

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<sup>26</sup> See Volume II of the Petition at 2.

<sup>27</sup> *Id.*, at 1-2.

differences that can be quantified based on the experience of the U.S. industry, as an estimate of the PRC producers' FOPs.<sup>28</sup> Petitioners valued the estimated FOPs using surrogate values from Thailand, with the exception of surrogate financial ratios.<sup>29</sup>

#### *Valuation of Raw Materials*

Petitioners valued the FOPs for raw materials using public import data for Thailand obtained from the Global Trade Atlas (GTA) for the POI.<sup>30</sup> Petitioners excluded all import values from countries previously determined by the Department to maintain broadly available, non-industry-specific export subsidies and from countries previously determined by the Department to be NME countries. In addition, in accordance with the Department's practice, Petitioners exclude imports that were labeled as originating from an unidentified country. Petitioners added to these import values the average inland freight charges for importing goods into Thailand as reported in *Doing Business 2016: Thailand*, based on the distance from the nearest port to the PRC producer's mill.<sup>31</sup> The Department determines that the surrogate values used by Petitioners are reasonably available, and thus, are acceptable for purposes of initiation.

#### *Valuation of Labor*

Petitioners valued labor using *The 2012 Business and Industrial Census: Manufacturing Industry, Whole Kingdom*, published by the National Statistical Office of Thailand.<sup>32</sup> Specifically, Petitioners relied on data pertaining to wages earned by Thai workers engaged in the manufacturing sector of the economy.<sup>33</sup> Petitioners inflated the wage rate using data for the

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<sup>28</sup> *Id.*, at 6 and Exhibit AD-9.

<sup>29</sup> *Id.*, at Exhibit AD-10. As discussed in the PRC AD Initiation Checklist, Petitioners used surrogate financial ratios from the financial statements of a Mexican steel producer, because they were unable to obtain publicly available financial statements of an integrated steel producer in Thailand, and to the best of their knowledge, many Thai producers also benefit from potentially countervailable subsidies. *Id.*, at 7 and 9.

<sup>30</sup> *Id.*, at Exhibit AD-13.

<sup>31</sup> *Id.*, at 7 and Exhibits AD-3A; *see also* AD Petition Supplement, at 3 and AD-Supp. 3A.

<sup>32</sup> *Id.*, at 8 and Exhibit AD-15.

<sup>33</sup> *Id.*

Thailand Consumer Price Index (CPI) published for the POI.<sup>34</sup>

#### *Valuation of Packing Materials*

Petitioners valued the packing materials used by PRC producers based on Thai import data for the POI obtained from GTA.<sup>35</sup>

#### *Valuation of Energy/Water*

Petitioners valued electricity using data published by the Electricity Generating Authority of Thailand.<sup>36</sup> In addition, Petitioners valued natural gas using Thai import data of liquid natural gas and universal conversion factors.<sup>37</sup> Further, Petitioners valued water using the tariff rate published by the Thai Metropolitan Waterworks Authority.<sup>38</sup>

#### *Valuation of Factory Overhead, Selling, General and Administrative Expenses, and Profit*

Petitioners relied on surrogate financial ratios (*i.e.*, factory overhead, Selling, General & Administrative expenses, and profit) it calculated using the 2014 audited financial statement of Grupo Simec, S.A.B. de C.V., a Mexican producer of comparable merchandise (*i.e.*, processed steel products).<sup>39</sup>

#### Fair Value Comparisons

Based on the data provided by Petitioners, there is reason to believe that imports of stainless sheet and strip from the PRC are being, or are likely to be, sold in the United States at less than fair value. Based on comparisons of EP to NV, in accordance with section 773(c) of

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<sup>34</sup> *Id.*, at Exhibits AD-12 and AD-15.

<sup>35</sup> *Id.*, at Exhibits AD-10A, AD-10B, and AD-13.

<sup>36</sup> *Id.*, at 7 and Exhibit AD-14A.

<sup>37</sup> *Id.*, at Exhibit AD-14B.

<sup>38</sup> See AD Petition Supplement at 3-4 and Exhibit AD-Supp.2.

<sup>39</sup> See Volume II of the Petition at 7 and Exhibit AD-16; for further discussion of the surrogate financial ratios, see PRC AD Initiation Checklist.

the Act, the estimated dumping margin for stainless sheet and strip from the PRC are 51.07 and 76.64 percent.<sup>40</sup>

#### Initiation of Less than Fair Value Investigation

Based upon the examination of the AD Petition on stainless sheet and strip from the PRC, we find that the Petition meets the requirements of section 732 of the Act. Therefore, we are initiating an AD investigation to determine whether imports of stainless sheet and strip from the PRC are being, or are likely to be, sold in the United States at less than fair value. In accordance with section 733(b)(1)(A) of the Act and 19 CFR 351.205(b)(1), unless postponed, we will make our preliminary determination no later than 140 days after the date of this initiation.

On June 29, 2015, the President of the United States signed into law the Trade Preferences Extension Act of 2015, which made numerous amendments to the AD and CVD law.<sup>41</sup> The 2015 law does not specify dates of application for those amendments. On August 6, 2015, the Department published an interpretative rule, in which it announced the applicability dates for each amendment to the Act, except for amendments contained in section 771(7) of the Act, which relate to determinations of material injury by the ITC.<sup>42</sup> The amendments to sections 771(15), 773, 776, and 782 of the Act are applicable to all determinations made on or after August 6, 2015, and, therefore, apply to this AD investigation.<sup>43</sup>

#### Respondent Selection

Petitioners named 158 companies from the PRC as producers/exporters of stainless sheet and strip.<sup>44</sup> Following standard practice for respondent selection in cases involving NME

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<sup>40</sup> See PRC AD Initiation Checklist.

<sup>41</sup> See Trade Preferences Extension Act of 2015, Pub. L. No. 114-27, 129 Stat. 362 (2015).

<sup>42</sup> See *Dates of Application of Amendments to the Antidumping and Countervailing Duty Laws Made by the Trade Preferences Extension Act of 2015*, 80 FR 46793 (August 6, 2015) (“Applicability Notice”).

<sup>43</sup> *Id.* at 46794-95. The 2015 amendments may be found at <https://www.congress.gov/bill/114th-congress/house-bill/1295/text/pl>.

<sup>44</sup> See Volume I of Petition at Exhibit GEN-5.

countries, we intend to issue quantity and value (Q&V) questionnaires to each potential respondent, for which Petitioners have provided a complete address, and base respondent selection on the responses received. In addition, the Department will post the Q&V questionnaire along with filing instructions on the Enforcement and Compliance website at <http://www.trade.gov/enforcement/news.asp>.

Exporters/producers of stainless sheet and strip from the PRC that do not receive Q&V questionnaires by mail may still submit a response to the Q&V questionnaire and can obtain a copy from the Enforcement and Compliance website. The Q&V response must be submitted by all PRC exporters/producers no later than March 17, 2016, which is two weeks from the signature date of this notice. All Q&V responses must be filed electronically *via* ACCESS.

#### Separate Rates

In order to obtain separate-rate status in an NME investigation, exporters and producers must submit a separate-rate application.<sup>45</sup> The specific requirements for submitting a separate-rate application are outlined in detail in the application itself, which is available on the Department's website at <http://enforcement.trade.gov/nme/nme-sep-rate.html>. The separate-rate application will be due 30 days after publication of this initiation notice.<sup>46</sup> Exporters and producers who submit a separate-rate application and have been selected as mandatory respondents will be eligible for consideration for separate-rate status only if they respond to all parts of the Department's AD questionnaire as mandatory respondents. The Department requires that respondents submit a response to both the Q&V questionnaire and the separate-rate

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<sup>45</sup> See Policy Bulletin 05.1: Separate-Rates Practice and Application of Combination Rates in Antidumping Investigation involving Non-Market Economy Countries (April 5, 2005), available at <http://enforcement.trade.gov/policy/bull05-1.pdf> (Policy Bulletin 05.1).

<sup>46</sup> Although in past investigations this deadline was 60 days, consistent with 19 CFR 351.301(a), which states that "the Secretary may request any person to submit factual information at any time during a proceeding," this deadline is now 30 days.

application by their respective deadlines in order to receive consideration for separate-rate status.

#### Use of Combination Rates

The Department will calculate combination rates for certain respondents that are eligible for a separate rate in an NME investigation. The Separate Rates and Combination Rates Bulletin states:

{w}hile continuing the practice of assigning separate rates only to exporters, all separate rates that the Department will now assign in its NME Investigation will be specific to those producers that supplied the exporter during the period of investigation. Note, however, that one rate is calculated for the exporter and all of the producers which supplied subject merchandise to it during the period of investigation. This practice applies both to mandatory respondents receiving an individually calculated separate rate as well as the pool of non-investigated firms receiving the weighted-average of the individually calculated rates. This practice is referred to as the application of “combination rates” because such rates apply to specific combinations of exporters and one or more producers. The cash-deposit rate assigned to an exporter will apply only to merchandise both exported by the firm in question and produced by a firm that supplied the exporter during the period of investigation.<sup>47</sup>

#### Distribution of Copies of the Petition

In accordance with section 732(b)(3)(A) of the Act and 19 CFR 351.202(f), a copy of the public version of the Petition has been provided to the government of the PRC *via* ACCESS. To the extent practicable, we will attempt to provide a copy of the public version of the Petition to each exporter named in the Petition, as provided under 19 CFR 351.203(c)(2).

#### ITC Notification

We will notify the ITC of our initiation, as required by section 732(d) of the Act.

#### Preliminary Determination by the ITC

The ITC will preliminarily determine, within 45 days after the date on which the Petition was filed, whether there is a reasonable indication that imports of stainless sheet and strip from

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<sup>47</sup> See Policy Bulletin 05.1 at 6 (emphasis added).

the PRC are materially injuring or threatening material injury to a U.S. industry.<sup>48</sup> A negative ITC determination will result in the investigation being terminated;<sup>49</sup> otherwise, this investigation will proceed according to statutory and regulatory time limits.

#### Submission of Factual Information

Factual information is defined in 19 CFR 351.102(b)(21) as: (i) evidence submitted in response to questionnaires; (ii) evidence submitted in support of allegations; (iii) publicly available information to value factors under 19 CFR 351.408(c) or to measure the adequacy of remuneration under 19 CFR 351.511(a)(2); (iv) evidence placed on the record by the Department; and (v) evidence other than factual information described in (i)–(iv). Any party, when submitting factual information, must specify under which subsection of 19 CFR 351.102(b)(21) the information is being submitted<sup>50</sup> and, if the information is submitted to rebut, clarify, or correct factual information already on the record, to provide an explanation identifying the information already on the record that the factual information seeks to rebut, clarify, or correct.<sup>51</sup> Time limits for the submission of factual information are addressed in 19 CFR 351.301, which provides specific time limits based on the type of factual information being submitted. Please review the regulations prior to submitting factual information in this investigation.

#### Extensions of Time Limits

Parties may request an extension of time limits before the expiration of a time limit established under 19 CFR 351, or as otherwise specified by the Secretary. In general, an extension request will be considered untimely if it is filed after the expiration of the time limit

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<sup>48</sup> See section 733(a) of the Act.

<sup>49</sup> *Id.*

<sup>50</sup> See 19 CFR 351.301(b).

<sup>51</sup> See 19 CFR 351.301(b)(2).

established under 19 CFR 351. For submissions that are due from multiple parties simultaneously, an extension request will be considered untimely if it is filed after 10:00 a.m. ET on the due date. Under certain circumstances, we may elect to specify a different time limit by which extension requests will be considered untimely for submissions which are due from multiple parties simultaneously. In such a case, we will inform parties in the letter or memorandum setting forth the deadline (including a specified time) by which extension requests must be filed to be considered timely. An extension request must be made in a separate, stand-alone submission; under limited circumstances we will grant untimely-filed requests for the extension of time limits. Please review *Extension of Time Limits; Final Rule*, 78 FR 57790 (September 20, 2013), available at <http://www.gpo.gov/fdsys/pkg/FR-2013-09-20/html/2013-22853.html>, prior to submitting factual information in this investigation.

#### Certification Requirements

Any party submitting factual information in an AD or CVD proceeding must certify to the accuracy and completeness of that information.<sup>52</sup> Parties are hereby reminded that revised certification requirements are in effect for company/government officials, as well as their representatives. Investigations initiated on the basis of petitions filed on or after August 16, 2013, and other segments of any AD or CVD proceedings initiated on or after August 16, 2013, should use the formats for the revised certifications provided at the end of the *Final Rule*.<sup>53</sup> The Department intends to reject factual submissions if the submitting party does not comply with applicable revised certification requirements.

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<sup>52</sup> See section 782(b) of the Act.

<sup>53</sup> See *Certification of Factual Information to Import Administration during Antidumping and Countervailing Duty Proceedings*, 78 FR 42678 (July 17, 2013) (*Final Rule*); see also frequently asked questions regarding the *Final Rule*, available at [http://enforcement.trade.gov/tlei/notices/factual\\_info\\_final\\_rule\\_FAQ\\_07172013.pdf](http://enforcement.trade.gov/tlei/notices/factual_info_final_rule_FAQ_07172013.pdf).

### Notification to Interested Parties

Interested parties must submit applications for disclosure under administrative protective order (“APO”) in accordance with 19 CFR 351.305. On January 22, 2008, the Department published *Antidumping and Countervailing Duty Proceedings: Documents Submission Procedures; APO Procedures*, 73 FR 3634 (January 22, 2008). Parties wishing to participate in this investigation should ensure that they meet the requirements of these procedures (*e.g.*, the filing of letters of appearance as discussed in 19 CFR 351.103(d)).

This notice is issued and published pursuant to section 777(i) of the Act.

Dated: March 3, 2016.

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Paul Piquado  
Assistant Secretary  
for Enforcement and Compliance

## Appendix I

### Scope of the Investigation

The merchandise covered by this investigation is stainless steel sheet and strip, whether in coils or straight lengths. Stainless steel is an alloy steel containing, by weight, 1.2 percent or less of carbon and 10.5 percent or more of chromium, with or without other elements. The subject sheet and strip is a flat-rolled product with a width that is greater than 9.5 mm and with a thickness of 0.3048 mm and greater but less than 4.75 mm, and that is annealed or otherwise heat treated, and pickled or otherwise descaled. The subject sheet and strip may also be further processed (*e.g.*, cold-rolled, annealed, tempered, polished, aluminized, coated, painted, varnished, trimmed, cut, punched, or slit, etc.) provided that it maintains the specific dimensions of sheet and strip set forth above following such processing. The products described include products regardless of shape, and include products of either rectangular or non-rectangular cross-section where such cross-section is achieved subsequent to the rolling process, *i.e.*, products which have been “worked after rolling” (*e.g.*, products which have been beveled or rounded at the edges).

For purposes of the width and thickness requirements referenced above: (1) Where the nominal and actual measurements vary, a product is within the scope if application of either the nominal or actual measurement would place it within the scope based on the definitions set forth above; and (2) where the width and thickness vary for a specific product (*e.g.*, the thickness of certain products with non-rectangular cross-section, the width of certain products with non-rectangular shape, etc.), the measurement at its greatest width or thickness applies.

All products that meet the written physical description, and in which the chemistry quantities do not exceed any one of the noted element levels listed above, are within the scope of this investigation unless specifically excluded.

Subject merchandise includes stainless steel sheet and strip that has been further processed in a third country, including but not limited to cold-rolling, annealing, tempering, polishing, aluminizing, coating, painting, varnishing, trimming, cutting, punching, and/or slitting, or any other processing that would not otherwise remove the merchandise from the scope of the investigation if performed in the country of manufacture of the stainless steel sheet and strip.

Excluded from the scope of this investigation are the following: (1) sheet and strip that is not annealed or otherwise heat treated and not pickled or otherwise descaled; (2) plate (*i.e.*, flat-rolled stainless steel products of a thickness of 4.75 mm or more); and (3) flat wire (*i.e.*, cold-rolled sections, with a mill edge, rectangular in shape, of a width of not more than 9.5 mm).

The products under investigation are currently classifiable under Harmonized Tariff Schedule of the United States (HTSUS) subheadings 7219.13.0031, 7219.13.0051, 7219.13.0071, 7219.13.0081, 7219.14.0030, 7219.14.0065, 7219.14.0090, 7219.23.0030, 7219.23.0060, 7219.24.0030, 7219.24.0060, 7219.32.0005, 7219.32.0020, 7219.32.0025, 7219.32.0035, 7219.32.0036, 7219.32.0038, 7219.32.0042, 7219.32.0044, 7219.32.0045, 7219.32.0060, 7219.33.0005, 7219.33.0020, 7219.33.0025, 7219.33.0035, 7219.33.0036, 7219.33.0038, 7219.33.0042, 7219.33.0044, 7219.33.0045, 7219.33.0070, 7219.33.0080, 7219.34.0005, 7219.34.0020, 7219.34.0025, 7219.34.0030, 7219.34.0035, 7219.34.0050, 7219.35.0005,

7219.35.0015, 7219.35.0030, 7219.35.0035, 7219.35.0050, 7219.90.0010, 7219.90.0020, 7219.90.0025, 7219.90.0060, 7219.90.0080, 7220.12.1000, 7220.12.5000, 7220.20.1010, 7220.20.1015, 7220.20.1060, 7220.20.1080, 7220.20.6005, 7220.20.6010, 7220.20.6015, 7220.20.6060, 7220.20.6080, 7220.20.7005, 7220.20.7010, 7220.20.7015, 7220.20.7060, 7220.20.7080, 7220.90.0010, 7220.90.0015, 7220.90.0060, and 7220.90.0080. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this proceeding is dispositive.

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